



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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June 10, 1988

TO: The Board of Oil, Gas and Mining

THRU: Kenneth E. May, Associate Director, Mining *KE May*

THRU: Lowell P. Braxton, Program Administrator *LPB*

FROM: D. Wayne Hedberg, Senior Reclamation Hydrologist *DWH* for *DWH*

RE: Permit Transfer, Bonneville Potash Evaporation Plant, M/045/002,
Tooele County, Utah

Attached is an Application for Permit Transfer for the Bonneville Potash Evaporation Facility. The mining facility will be transferred from Kaiser Aluminum and Chemical Corporation to Reilly Tar and Chemical Corporation. The new operator has changed the name of the potash evaporation plant to the "Reilly Wendover" facility.

This permit contains 87,821 acres of surface area, principally comprised of a series of dikes and canals which impound and concentrate potash brines which originate at very shallow depths below the land surface. The salt evaporites are refined and processed onsite. The mining operation is located on federal, state and private property.

The approved reclamation plan does not require regrading of the impoundment dikes and canals. The pond dikes will breach and the canals will fill in naturally. The dikes will gradually weather to a low, rounded configuration. Very little, if any vegetation exists in the area. Recent field inspections by Division personnel concur with these determinations. The reclamation bond will be used primarily for reclamation of the processing facilities site. Reclamation will include removal of pumps and power lines in the pond areas and removal of processing equipment and associated plant facilities not having an approved postmining use.

The existing reclamation bond for this permit is \$2500. A revised reclamation surety estimate of \$39,100 (1988 dollars) has been calculated for reclaiming the potash processing facilities site. This bond will be provided to the Division within 30 days of the Board's approval of the permit transfer. The form of the reclamation surety will be a Surety Bond. The bond has been calculated for a 10-year renewal period at a 2.3% annual inflation rate and totals \$49,100 (1998 dollars). The permit transfer will not become effective until the reclamation surety is received by the Division and signed by the Board.

A copy of the reclamation estimate is attached for your reference. It is recommended that the permit transfer be approved with a condition that the revised surety bond be received within 30 days of the Board's formal approval. Thank you for your time and consideration of this permit transfer request.

dwh
8946R/47

DIVISION OF OIL, GAS AND MINING

BOND ESTIMATE

OPERATOR: Reilly Tar & Chemical Corporation
 MINE NAME: Reilly Wendover
 LOCATION: Wendover, Utah
 COUNTY: Tooele
 DATE: 06-10-88

OPERATION	AMOUNT	RATE	COST
A. CLEAN-UP			
1. Removal of structures & equipment.	2-Trucks	\$900/wk	\$ 2,700
2. Removal of trash & debris.	1-Loader	\$900/wk	\$ 2,700
3. Leveling of auxillary facilities, pads & access roads.	(3 weeks)		
B. REGRADING/RECONTOURING			
1. Earthwork including haulage & grading of spoils, waste & overburden.	1-D7 Dozer	\$4000/wk	\$16,000
2. Recontouring of excavations and spreading of surficial materials.	(4 weeks)		
C. LABOR			
1. Supervision	5 Man Week	\$15.00/hr	\$ 3,000
2. Labor	30 Man Week	\$11.50/hr	\$13,800
	SUBTOTAL		\$35,500
D. CONTINGENCY (10%)			3,600
	TOTAL (1988 dollars)		\$39,100
E. INFLATION			
2.3% for five (5) years (1993 dollars)			\$43,800
2.3% for ten (10) years (1998 dollars)			\$49,100

It is recommended that Reilly Tar bond for a ten (10) year period if a Surety Bond can be obtained. If an Irrevocable Letter of Credit will be used as a collateral bond, it is recommended that it be posted for a five (5) year period. The letter of credit must be self-renewing for a five year period. The bank can cancel within that five year period if the Division is provided with a written notice, 120 days prior to cancellation.